

Honorably Discharged Veteran Impact FY 2020 Report to the Legislature

(Pursuant to Section 503 of PA 166 of 2020)

February 15, 2021

Prepared by:

Debra Gagliardi, Director

**Bureau of Professional
Licensing**

Reporting Period: October 1, 2019 through September 30, 2020



GRETCHEN WHITMER
GOVERNOR



ORLENE HAWKS
DIRECTOR

Table of Contents

	Page
Executive Summary	3
Background	3
Required Information	4

Executive Summary

Public Act 166 of 2020, Section 503 requires the following:

Sec. 503. *Not later than February 15, the department shall submit a report to the subcommittees, the senate and house fiscal agencies, and state budget director providing the following information:*

(a) The number of veterans who were separated from service in the Armed Forces of the United States with an honorable character of service or under honorable conditions (general) character of service, individually or if a majority interest of a corporation or limited liability company, that were exempted from paying licensure, registration, filing, or any other fees collected under each licensure or regulatory program administered by the bureau of construction codes and the corporations, securities, and commercial licensing bureau during the preceding fiscal year.

(b) The specific fees and total amount of revenue exempted under each licensure or regulatory program administered by the bureau of construction codes and the corporations, securities, and commercial licensing bureau during the preceding fiscal year.

(c) The actual costs of providing licensing and other regulatory services to veterans exempted from paying licensure, registration, filing, or any other fees during the preceding fiscal year and a description of how these costs were calculated.

(d) The estimated amount of revenue that will be exempted under each licensure or regulatory program administered by the bureau of construction codes and the corporations, securities, and commercial licensing bureau in both the current and subsequent fiscal years and a description of how the exempted revenue was estimated.

Pursuant to this requirement, this report has been prepared and issued electronically to the House and Senate appropriations subcommittees, House and Senate Fiscal Agencies, and the state budget director to meet the February 15 reporting requirement. In addition, this report is also online under the “Featured Services” section – “Legislative Reports” of the Department of Licensing and Regulatory Affairs (LARA) website at: www.michigan.gov/lara.

Background:

The BPL is within LARA, and oversees the licensing, investigations, and enforcement responsibilities of individuals licensed under the Public Health Code and the Occupational Code.

Legislation was passed to waive certain licensure or registration fees for qualifying veterans. The objective of the legislation was to reduce possible barriers to entry for veterans who are transitioning to civilian employment, which may require state licensure or registration. This report outlines the fiscal impact on LARA due to the fee waiver.

Required Information for Section 503:

Fiscal Year 2020

Profession	Count	Application Fees	License Fees	Real Estate Continuing Education Fund Fees	Real Estate Enforcement Fund Fees	Accountancy Enforcement Fund Fees	Total Fees Exempted
Accountancy	15	\$525	\$895			\$2,180	\$3,600
Architects	0	\$0	\$0				\$0
Barbers	15	\$300	\$890				\$1,190
Collections	2	\$135	\$175				\$310
Cosmetology	66	\$990	\$3,168				\$4,158
Hearing Aid Dealers	2	\$40	\$130				\$170
Personnel Agents	1	\$30	\$40				\$70
Professional Engineers	7	\$175	\$280				\$455
Professional Surveyors	0	\$0	\$0				\$0
Real Estate Brokers and Salespersons	126	\$1,885	\$9,014	\$1,715	\$1,715		\$14,329
Real Estate Appraiser	3	\$105	\$345				\$450
TOTAL	237	\$4,185	\$14,937	\$1,715	\$1,715	\$2,180	\$24,732
Actual Costs:	\$3,609						
Average cost of staff (\$45.73 per hour including salary and benefits) x Average application processing time (20 minutes) x Number of applications (237) = \$3,609.							

Fiscal Year 2021 – Projected

Program	Count	Application Fees	License Fees	Real Estate Continuing Education Fund Fees	Real Estate Enforcement Fund Fees	Accountancy Enforcement Fund Fees	Total Fees Exempted
Accountancy	22	\$682	\$985			\$3,091	\$4,758
Architects	1	\$33	\$39				\$72
Barbers	32	\$638	\$1,254				\$1,892
Collections	2	\$149	\$193				\$341
Cosmetology	73	\$1,089	\$3,485				\$4,574
Hearing Aid Dealers	8	\$104	\$337				\$441
Personnel Agents	1	\$33	\$44				\$77
Professional Engineers	8	\$193	\$308				\$501
Professional Surveyors	1	\$39	\$55				\$94
Real Estate Brokers and Salespersons	139	\$2,074	\$9,915	\$1,887	\$1,887		\$15,762
Real Estate Appraiser	3	\$116	\$380				\$495
TOTAL	289	\$5,147	\$16,993	\$1,887	\$1,887	\$3,091	\$29,004
Description of estimate:							
Assumed overall growth rate of 10% based on maximum of previous 4 years actual numbers.							

Fiscal Year 2022 – Projected

Program	Count	Application Fees	License Fees	Real Estate Continuing Education Fund Fees	Real Estate Enforcement Fund Fees	Accountancy Enforcement Fund Fees	Total Fees Exempted
Accountancy	24	\$750	\$1,083			\$3,400	\$5,233
Architects	1	\$36	\$42				\$79
Barbers	35	\$702	\$1,379				\$2,081
Collections	2	\$163	\$212				\$375
Cosmetology	80	\$1,198	\$3,833				\$5,031
Hearing Aid Dealers	9	\$114	\$371				\$485
Personnel Agents	1	\$36	\$48				\$85
Professional Engineers	8	\$212	\$339				\$551
Professional Surveyors	1	\$42	\$61				\$103
Real estate	152	\$2,281	\$10,907	\$2,075	\$2,075		\$17,338
Real Estate Appraiser	4	\$127	\$417				\$545
TOTAL	318	\$5,662	\$18,693	\$2,075	\$2,075	\$3,400	\$31,905
Description of estimate:							
Assumed overall growth rate of 10% over previous years projection.							